

4th Intermodal Africa 2006 Namibia Exhibition and Conference

Port Security and Port Operations

**What investments are being made in
Security Technology
Such as Scanning Equipment?**

3 February 2006



Agenda

- Introduction to Intertek Cargo Scanning Solutions.
- Cargo Scanning – What? and Why?
- Who is doing what in Africa?
- Case Study – Freetown Port, Sierra Leone
- Stakeholder issues.



Intertek Group plc

- FTSE 250 company. Turnover approximately US\$1 billion. Globally 14,200 staff, 558 offices and 307 laboratories. 105 countries.
- Divisions: ETL Semko, Labtest, Caleb Brett and *Foreign Trade Standards (FTS)*.
- Intertek Group plc provide governments and commercial organisations with outsourced inspection services.



Intertek

Cargo Scanning Solutions

Offer:

- Total Build, Operate and Transfer (BOT) solutions to governments or port authorities who wish to transfer risk and cost of running scanners to a private party.
- Implementation support, training and operational support to governments or port authorities who buy the scanners themselves.



Intertek

Cargo Scanning Solutions

Using:

- In-house skills and resources to meet customer scanning needs.
- Partnerships and the support of industry leading scanning organisations with many years of experience in actually scanning containers in real life situations.



Intertek

Cargo Scanning Solutions

To Date:

- 10-year BOT Concessions at the ports of Freetown, Sierra Leone and Conakry, Guinea.
- In discussion for BOT investments in over 20 other countries, many in Africa (including South Africa).
- In discussion for several “operate-only” contracts where scanner investment is not made by Intertek.

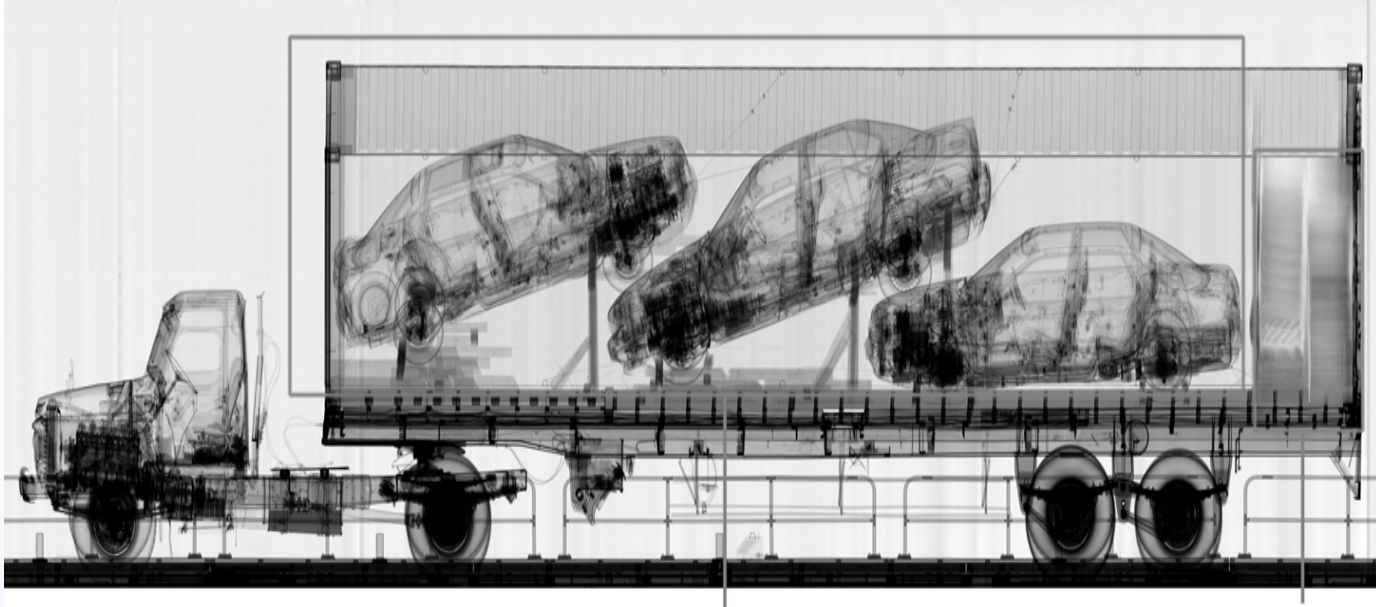


Cargo Scanning – What is it?

A non-intrusive inspection tool

- Scanner can be fixed, relocatable or mobile.
- It uses X-Rays or Gamma rays to produce an image of what is in a container.
- Level of power dictates the clarity of the image and the penetration of the X-Ray.
- There are 6 major manufacturers (Nuctech, AS&E, Rapiscan, Smiths Heimann, L3 and SAIC)





Declared goods: carpets!



Not Just Scanners.....

- Scanner operation and maintenance.
- Container selectivity (intelligence).
- Flow of containers through the scanners.
- Infrastructure design and build.
- Security of the scanner site/process.
- Processes to integrate the scanners into existing systems (Ports, Customs, Defence, Intelligence, Trade etc).
- Training of all personnel involved, particularly - **Image interpretation. Vital!!**



Who needs scanning and why?

Who?

Government organisations responsible for **revenue collection**.

Why?

- Combat against duty and tax evasion.
- Intercept illicit cargoes.
- Improve compliance between actual cargo and Customs documentation.
- Optimise revenue collection and compliance through increased cargo inspections.



Who needs scanning and why (2)?

Who?

Government organisations and port authorities responsible for national and international **security or related security measures.**

Why?

- Meet IMO, US and EU regulations governing movements of goods and vessels through ports (ISPS, CSI etc).
- Respond to inter-governmental pressure.
- Protect national security and supply chain security.



Who is doing what in Africa?

- We know of systems being used in ports in:

Cote d'Ivoire (BOT)

Egypt (Purchase)

Ghana (BOT)

Kenya (Purchase)

Madagascar (BOT)

Morocco (Purchase)

Nigeria (BOT)

Senegal (BOT)

Sierra Leone (BOT)

Tanzania (BOT)

The Gambia (BOT)

Togo (BOT)

- During 2006 will be introduced into ports in Guinea (BOT), Mozambique (BOT), South Africa (PPP) and Tunisia (Purchase).



How do governments/ports provide the service?

One of the ministries involved (problem in itself!) or the Port Authority either:

Buys the scanners direct from the manufacturer and implements a system themselves;

or

Finds a service provider who is able to offer a total service on a BOT or PPP basis.



Sierra Leone

- 10-year Scanning BOOT Concession won July 2004. Nuctech (Chinese) 6 MeV relocatable X-Ray scanner supplied.
- Scanners to be used to enhance and improve national security.
- National Revenue Authority/Customs will also use scanners in a move to a new type of revenue programme.
- Shipping line agents pay Intertek.





Sierra Leone – Security Drivers

- Sierra Leone Maritime Administration (SLMA) responsible for port security.
- New ISPS Code demands effective 1 July 2004. SLMA and SL Ports Authority worked closely together.
- US pressure to comply or be cut off.
- Container scanner also seen as important to protect national security (illegal arms movements), especially so soon after the civil war.
- Regional conflicts destabilising. Need to be more secure.



Sierra Leone – Revenue Drivers

- Physical inspection of containers ineffective, expensive, slow and risky.
- Demand for easier processes for Sierra Leone business.
- Smuggling from neighbouring countries a problem.
- Demand for more Destination Inspection and less Pre Shipment Inspection.



The 10-year BOOT Concession

The Intertek Consortium:

- Gave advice on the most suitable solution.
- Bought, set up and will maintain scanners.
- Undertook port infrastructure work.
- Made ports in Sierra Leone compliant with the ISPS Code effective 1 July 2004.
- Trained all staff involved in the project.
- Offered image interpretation advice and training.
- Operate the scanners.
- Provide IT systems and software.
- Integrated scanners into existing Port and Government systems.



The BOOT Concession

Free of Charge to the Government

Everything except the interpretation of the images and the decision on what to ultimately do with any container.

and then

Transfer to the Sierra Leone Government at the end of the 10 year Concession period



Observation

Good communications between the Project sponsor and other stakeholders (particularly the Port) are essential during all stages of the decision process.



Questions for Ports to consider – Now and in the Future

- Will scanners make your port more compliant with international regulation?

Now - debatable

Future – Very likely

- Will your port be more attractive to customers if you have scanners?

Now – debatable

Future – very likely



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THANK YOU

Any Questions?

